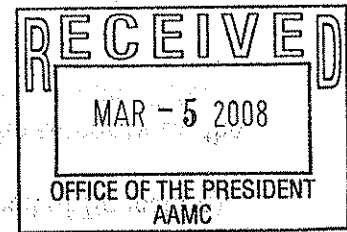




THE SECRETARY OF EDUCATION  
WASHINGTON, DC 20202

February 28, 2008



Darrell G. Kirch, M.D.  
President and CEO  
Association of American Medical Colleges  
2450 N Street, NW  
Washington, DC 20037-1126

Dear Dr. Kirch:

Thank you for your letter asking that we raise the combined aggregate Stafford loan limit for health professions students from \$189,125 to \$223,793.

As you know, the annual loan limits for first and second year undergraduates and some graduate students were raised in the Higher Education Reconciliation Act of 2005 (Pub. L. 109-171). At that time, Congress provided no increase in the aggregate unsubsidized loan limit for graduate and professional students preparing for the health professions (as defined by Section 703(a) of the Public Health Act and as further described in the Department of Health and Human Services Student Financial Aid Guidelines Notebook at Section 104.3.2, and in subsequent guidance issued by the Department of Education).

However, as noted in your letter, the Higher Education Act provides the authority for the Secretary to increase aggregate unsubsidized loan limits for high cost programs of study. Since 1996, the Department has used that authority to increase the aggregate loan limits for graduate and professional students preparing for the health professions to \$189,125. The Federal Student Aid Handbook includes the calculation used to determine the higher adjusted aggregate limit for graduate and professional students preparing for the health professions that has been in place since 1996. Using the increased annual loan limits, you correctly noted that the aggregate loan limit should be raised to \$223,793. After careful examination, including a determination that the increase would not raise the overall cost of the Federal student loan programs, I have decided to increase the aggregate loan limit, but will round this amount up to \$224,000 to simplify institutional administration of the new loan limit.

Thank you for bringing this issue to our attention. In the coming days, we will issue a Dear Colleague Letter announcing this increase.

Sincerely,

A handwritten signature in black ink that reads "Margaret Spellings".

Margaret Spellings